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PROFILE 2000

A Profile of Small Business Growth and Employment in British Columbia

Canada

BRITISH COLUMBIA

Ministry of Small Business
Tourism and Culture

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A Profile of Small Business Growth and Employment in British Columbia

Western Economic Diversification Canada
Canada

BRITISH COLUMBIA
Ministry of Small Business Tourism and Culture

BC STATS

HIGHLIGHTS

- In 1999, small businesses accounted for over 98% of all businesses in British Columbia. Eighty-four per cent of small businesses were micro-businesses, those with fewer than five employees.
- There were approximately 359,000 small businesses in British Columbia in 1999. This is 62% greater than the number in 1990.
- While the number of small businesses operating in British Columbia declined slightly in 1999, BC continues to lead all provinces in small business growth over the past decade.
- In 1999, an estimated 967,000 British Columbians were employed in small business. This represents 52 per cent of all jobs in British Columbia.
- Among the provinces, British Columbia ranked number one in Canada with the highest proportion of Gross Domestic Product (33%) attributed to Small Business.
- Between the years 1995 to 1999, the Cariboo region led the province in annual average small business growth rate, at 10%.
- Small businesses had the fastest employment growth rate in High Technology, which grew at an average 8.6% from 1994 to 1999.
- Women own and operate 36% of all small businesses in British Columbia and are most prominent in the wholesale, retail, and health care sectors.
- The number of young small business owners has grown by over 70% since 1995. The number of seniors in small business has also more than doubled in the same period.

Preface

Small business remains the primary source of job creation in British Columbia, reflecting an important and ongoing trend to economic diversification within the provincial economy. This report, entitled *A Profile of Small Business Growth and Employment in British Columbia 1990-1999* (*Small Business Profile 2000*), is an update to previous versions published in 1997, 1998 and 1999. *Small Business Profile 2000* documents growth trends in the number of small businesses and their employment in British Columbia in the 1990s.

Small Business Profile 2000 is designed to answer some common questions about the role of small business in British Columbia. Key questions are addressed through a review of the number of businesses, job creation activities, self-employment trends, small business contribution to the economy, small business impact on regional economies and the entrepreneurs who own and operate small businesses in British Columbia.

Statistical information contained in this report was prepared by BC STATS with data provided by Statistics Canada from various statistical databases such as the *Business Register*, the *Survey of Employment, Payroll and Hours* and the *Labour Force Survey*.

Small Business Profile 2000 is the result of a collaboration between the federal and provincial governments. The report was prepared by the federal Department of Western Economic Diversification (WD), the British Columbia Ministry of Small Business, Tourism and Culture and the office of BC STATS in the British Columbia Ministry of Finance and Corporate Relations.

More information on small businesses, government programs and services for small businesses, and additional copies of this document can be obtained by contacting:

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1. Small Business Growth

What is a small business?

Although there are a number of different ways a small business can be defined, the most commonly used definition focuses on the number of employees:

- **Businesses with fewer than 50 employees, and**
- **Businesses operated by a person who is self-employed but has no paid employees**

Businesses with less than 50 employees are sometimes also referred to as small and medium enterprises (SMEs).

How many businesses are there in British Columbia?

In 1999, there were a total of 364,600 businesses in British Columbia. Of these, a total of 358,800 (98.4%) were small businesses. Self-employed businesses accounted for the majority of all businesses in the province. The 209,600 small businesses of this type accounted for nearly 60% of all of BC businesses.

Figure 1: Total Number of Businesses in BC, 1999

	Number of Businesses	PerCent of Total
Total Small Businesses	**358,800**	**98.4%**
Self-employed without paid help	209,600	57.5%
Businesses with less than 50 employees	149,200	40.9%
Total Large Businesses	5,800	1.6%
Total All Businesses	**364,600**	**100.0%**

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

Is the number of small businesses in BC growing?

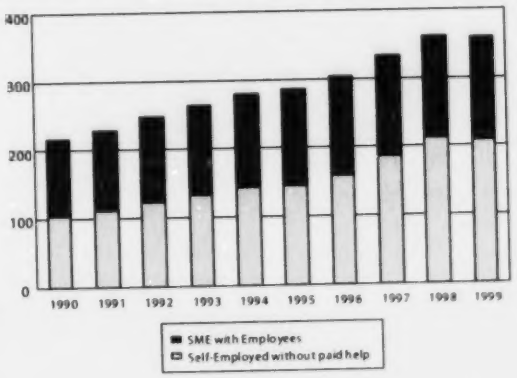
Over the period of 1998 to 1999, there was a small decrease in the total number of small businesses operating in the province.

The decline of a little over one and one-half percent came from self-employed unincorporated small businesses with no paid help. This may result from some self-employed business people joining small employers, where opportunities have increased in the past year.

There was an increase of 312 large businesses (greater than 49 paid employees) operating in British Columbia last year. Some of this increase can be attributed to previously small businesses increasing the number of workers employed, which has promoted them into this higher category. New businesses being created are also a source of this increase in large businesses.

However, the total of 358,800 small businesses in 1999 is 62% greater than in 1990, when there were 216,000 small businesses in the province. Most of this growth has occurred in the number of self-employed small businesses (unincorporated, without paid help) which have more than doubled over the past decade, from 104,300 businesses in 1990 to 209,600 in 1999.

Figure 2: Number of Small Businesses in BC (000's), 1990-99

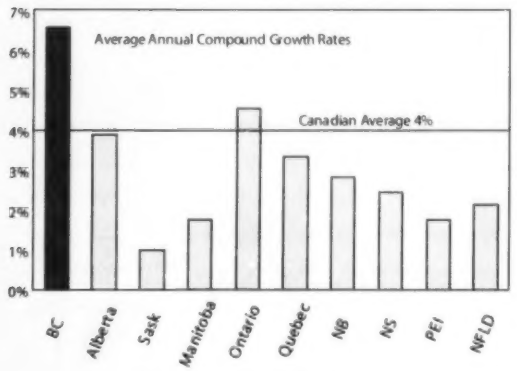


SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How does small business growth in British Columbia compare with other provinces?

Despite the apparent slowdown in the growth of some types of small businesses in British Columbia in 1999, the province continues to lead the country in the rate of small business growth over the last ten years. British Columbia had an average annual compound growth rate of 6.6% from 1990 to 1999. This is a rate 2.6 percentage points higher than the national average over the same period, and 2 percentage points higher than in Ontario, which had the second highest rate.

Figure 3: BC is the leader in Small Business Growth, 1990-99



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How do small businesses measure up?

Most of the small businesses in BC are micro-businesses (0 to 4 employees). There was a increased proportion of micro-businesses that had employees in 1999, suggesting that some self-employed businesses without paid employees were able to hire workers for 1999.

Figure 4: Size Distribution of Small Business in BC, 1999

	Number of Businesses	PerCent of Total
Total Businesses with 0 to 4 employees	**301,600**	**84.1%**
Self-employed without paid help	209,600	58.4%
Businesses with 1 to 4 employees	92,000	25.6%
Businesses with 5 to 19 employees	45,000	12.5%
Businesses with 20 to 49 employees	12,200	3.4%
Total Small Businesses	**358,800**	**100.0%**

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

The average annual compound growth rate of small businesses in BC slowed to 5.8% in 1990 to 1999 from 6.5% in the period of 1990 to 1998. Self-employed without paid help continued to have the highest growth rate between 1990 to 1999, averaging just over 10,000 small businesses of this type being created each year. Businesses with between 20 and 49 employees continue to play an important role in small business growth as well, with an average compound growth rate of 5.3% over the same period.

Figure 5: Growth in Number of BC Businesses, 1990-1999

	Annual Growth (#s)	Annual Compound Growth Rate
Total Small Businesses	**15,900**	**5.8%**
Self-employed without paid help	12,000	8.1%
Businesses with 1 to 4 employees	2,300	2.9%
Businesses with 5 to 19 employees	1,400	3.6%
Businesses with 20 to 49 employees	500	5.3%
Total Large Businesses	200	4.2%
Total All Businesses	**16,100**	**5.8%**

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

In what sectors are small businesses concentrated?

Seventy percent of small businesses in BC are concentrated in the service sector, with the remainder located in the goods sector. Trade, Business Services and Health & Social Services are the industries with the highest number of self-employed small businesses. In the goods sector, construction was a key industry for self-employed businesses, accounting for 13% of the total number of small businesses in British Columbia.

There is a higher concentration of small businesses with one or more employees, in the goods sector than is the case with self-employed businesses. However, at 12-13%, the Construction industry accounts for a high proportion of small businesses, both with and without paid employees.

Figure 6a: Small businesses with 1-49 employees

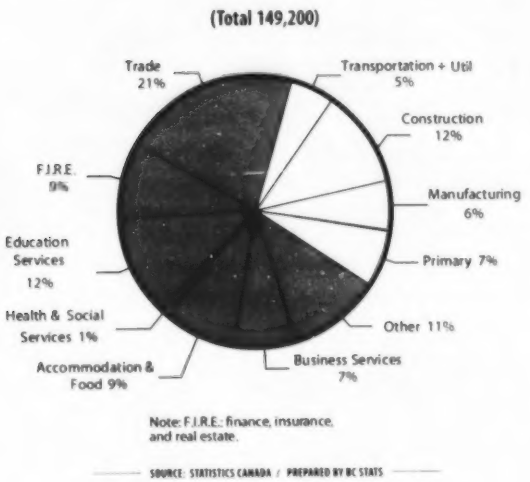
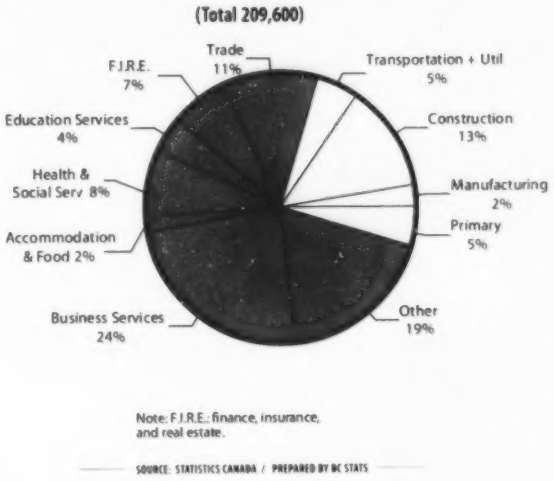


Figure 6b: Small businesses with no paid employees

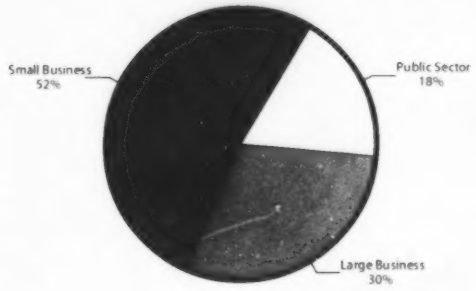


2. Small Business Employment

How many small business jobs are there in British Columbia?

Small business was responsible for over 967,000 jobs in the province in 1999. This is 52% of all British Columbia employment, up from 50% of total jobs in 1998. This rise came at the expense of large business, which now accounts for 30% of all jobs. The remainder of employment in British Columbia takes place in the public sector, which provides 18% of jobs.

Figure 7: More than half of all jobs in British Columbia were in small business, 1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

The private sector (small and large business) employed 1,528,300 people in 1999. Small business was responsible for 967,372 (63.3%) of these private sector jobs. This figure is essentially unchanged from 1998. Self-employment accounted for 26% of private sector employment in 1999. Small businesses with paid employees accounted for 574,800 jobs, which is slightly higher than employment by large businesses.

Figure 8: Private Sector Employment in British Columbia by Size of Business, 1999

	Employment	Per Cent of Total
Total Small Business Employment	**967,400**	**63%**
Self-employed	392,600	25%
Employed by small business	574,800	38%
Large business employment	**560,900**	**37%**
Total Private Sector Employment	**1,528,300**	**100%**

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

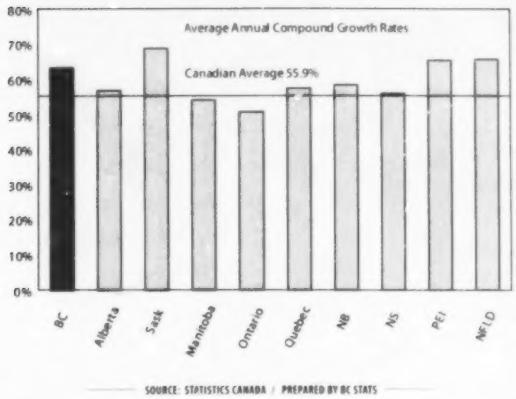
How many jobs has small business created?

Based on revised figures from Statistics Canada, jobs with small business employers declined in the past year, while self-employment increased. The total effect has been a slight (1%) decline in small business employment in the past year. However, over the past five years (between 1994 and 1999) 106,200 jobs were created by small businesses. Of these, 85% came from newly self-employed individuals. Small business has been responsible for an average of 21,200 new jobs every year in British Columbia.

How does British Columbia's small business employment compare to other provinces?

British Columbia has the fourth highest percentage of total provincial employment coming out of small business in all of Canada. Saskatchewan, with its heavy reliance on family farming, had the highest percentage of private sector small business employment (68.7%). Sixty-three per cent of private sector employment in British Columbia is provided by small business, which is 7 percentage points higher than the national average.

Figure 9: British Columbia Ranks fourth in small business as % of private sector employment, 1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

SELF-EMPLOYMENT

EXPLANATION:

People who spend most of their working hours operating their own businesses are classified as "self-employed." Self-employed can be broken down into two categories: incorporated and unincorporated — each may then be classified as operating with paid help or without paid help (i.e., working by themselves). This produces four major categories of self-employed workers.

How many self-employed people are there in BC?

There were 392,600 self-employed people in British Columbia in 1999. Of these, about 5,200 work in family businesses without pay, leaving 387,400 self-employed business owners. This is an increase of 5,500 from the previous year. The largest category of self-employed small businesses is unincorporated without paid help, which represents 54% of self-employed small business. There are 135,400 incorporated self-employed small businesses, both with and without paid help, which represent 35% of the provincial total for self-employed business.

Figure 10: Number of Self-Employed Business Owners in BC, 1999

	With paid help	Without paid help	Total	PerCent
Incorporated	90,100	45,300	135,400	35%
Unincorporated	42,400	209,600	252,000	65%
Total Self Employment	**132,500**	**254,900**	**387,400**	**100%**

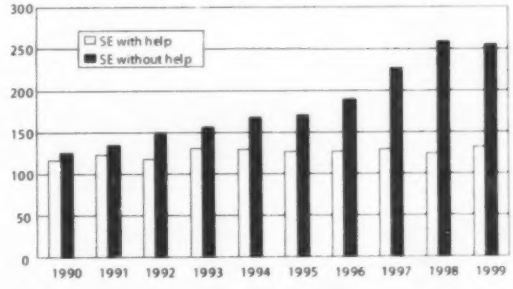
SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

Which categories of self-employed have been growing the fastest?

Since 1998, self-employed small businesses with paid help have grown to 132,500, representing an increase of 8,900, or over 7%. Of these, the increase in self-employed incorporated businesses is almost 10% in the single year. At the same time, the number of self-employed businesses without paid help fell slightly, declining by 3,300 or a little over one and half per cent.

Over the past decade, the number of self-employed operating in British Columbia was fairly evenly split between those with paid help and those without paid help. Since that time there has been an enormous increase in the number of self employed businesses without paid help. This type of business has increased from 125,200 in 1990, to 254,900 in 1999, which is a jump of 104%. Self-employed businesses with paid help increased from 117,100 in 1990 to 132,500 in 1999. This is a markedly smaller increase of 13%.

Figure 11: Self-employed without paid help are growing the fastest, 1990-1999

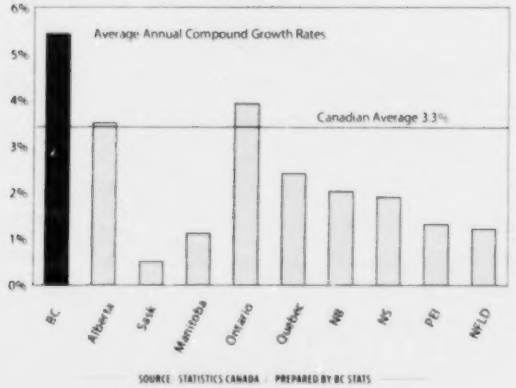


SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How does self-employment growth in British Columbia compare with other provinces?

Over the decade of 1990-1999, British Columbia led the nation in self-employment growth, with an average annual compound growth rate of 5.4%. It outpaced the next fastest growing province, Ontario, by 1.5 percentage points and the national average annual compound growth rate by 2.1 percentage points. All of the other provinces, except Alberta, were below the national average, and had average annual growth rates that were less than half that of British Columbia's.

Figure 12: BC leads self-employment growth, 1990-1999

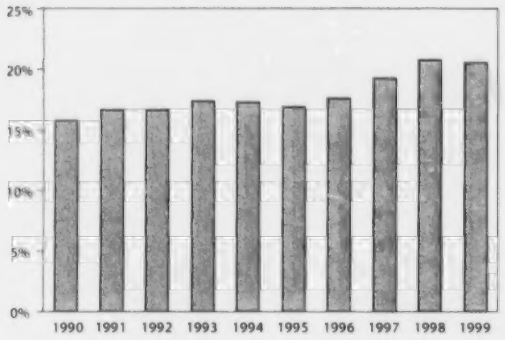


SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

What proportion of total employment is comprised of the self-employed?

In 1999, self-employment accounted for 20.6% of total employment in British Columbia. This is a similar figure to 1998, where the share of total employment from self-employment was 20.8%. The proportion of self-employment in the labour market has been rising for the last decade and is now 4.8 percentage points higher than it was in 1990.

Figure 13: British Columbia's self-employment per cent of total employment, 1990-1999

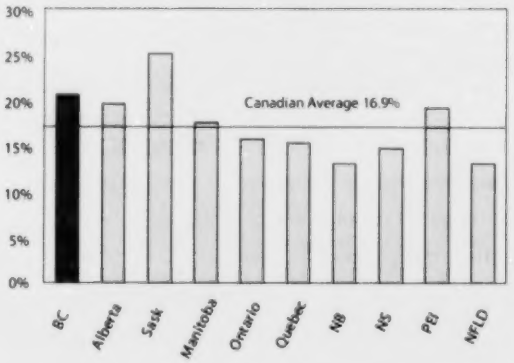


SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How does British Columbia compare to other provinces?

British Columbia has a higher proportion of self-employed workers than every other province in Canada, except Saskatchewan. BC's percentage of self-employed workers exceeded the national average by 3.6 percentage points in 1999. Atlantic provinces tended to have among the lowest proportion of self-employed workers.

Figure 14: Self-employment per cent of total employment by province, 1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

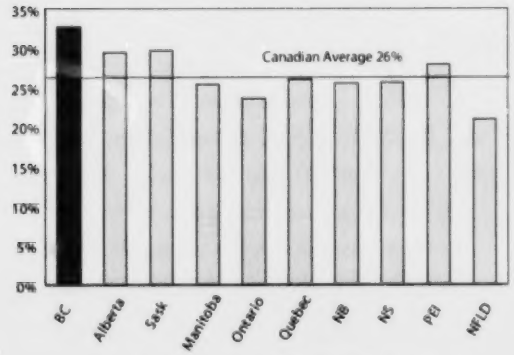
3. Contribution to the Economy

Small business contributes to the provincial economy not only by creating and maintaining jobs but also through its production of goods and services, and by meeting payrolls that support families and stimulate further economic activity. The measure of economic production of a sector is referred to as its Gross Domestic Product (GDP). GDP represents the value that a sector adds to the raw inputs it uses, which is a key aspect of the sector's contribution to the economy.

How large is the contribution of small business to BC's economy relative to other provinces?

British Columbia's small businesses accounted for 33% of GDP, the highest of any province in Canada in 1998 (the latest year for which data is available). This is higher than every other province by at least 3 percentage points, and ranged as high as 12 percentage points higher than in Newfoundland. This shows that small business plays a greater role in the provincial economy of British Columbia than it does anywhere else in Canada. Nationally, the proportion of GDP comprised by small business was 26% in 1998.

Figure 15: British Columbia ranks number one with the highest proportion of small business GDP, 1998



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How does average pay compare between small and large businesses?

Large business has traditionally paid its employees higher wages than does small business. Small business makes up much of this difference in other ways, such as offering flexible working hours that may not be possible in some large businesses.

While small business pay per employee has increased by 5% between 1994 and 1999, large business (including the public sector) has increased its pay per employee by 9%. The average small business employee earned $26,480 in 1999, while the average large business employee earned $36,324.
The gap between average wages paid to employees of small businesses compared to large businesses widened from $8,197 in 1994 to $9,844 in 1999.

Figure 16: Changes in Average Annual Earnings, 1994-1999

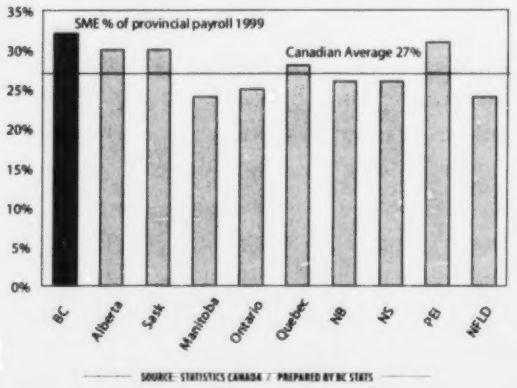
	Small Business	Large Business
Earnings 1994 (payroll/employee)	$ 25,246	$ 33,443
Earnings 1999 (payroll/employee)	$ 26,480	$ 36,324
Per Cent Change	5%	9%

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

How does BC compare in terms of portion of total payroll generated by small business?

British Columbia has the highest reliance on small business payroll. In 1999, BC's small business accounted for 32% of wages paid to workers. This is one percentage point higher than in PEI, and two percentage points higher than in Alberta and Saskatchewan. Nationally, small business accounted for 27% of the total wages paid to workers in 1999. This is a drop of one percentage point from 1998.

Figure 17: British Columbia small business represents 32% of the 1999 provincial payroll



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

4. Growth Industries

EXPLANATION:

The following information contains comparisons of standard industries, such as business services and retail, and specially defined industries such as Tourism, High Technology and Secondary Manufacturing. For the special industries, employment data is only available for the period 1994-1999. In addition, information is not available concerning "self-employed persons without paid help" within the special industries. Consequently, some figures in this section may be different from other parts of this document.

Tourism, high technology and value-added (secondary) manufacturing are considered by many to be the likely engines of growth for the future economy of the province . This "new" economy, which relies less on heavy extraction of the resource base, is well suited for development by small business.

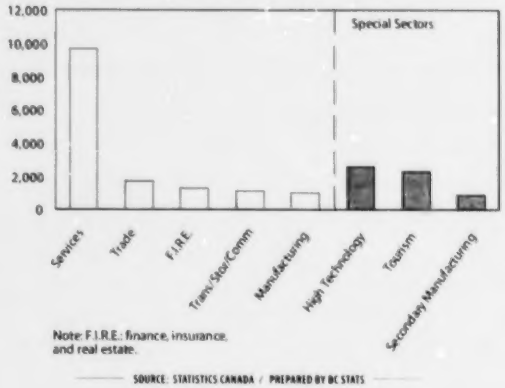
In the high technology sector for example, small businesses make up 98% of employers and well over half of all high technology sector employees. The basis for growth in this sector is innovation, and services that can be performed from homes, small offices and small plants.

NUMBER OF SMALL BUSINESSES

Which industries show the greatest increase in the number of small businesses?

The area which experienced the largest small business growth over the period 1994 to 1999 was the services sector, which grew by 9,700 businesses, an average of 1,940 annually. The services sector comprises: business service, educational service, health & social service, accomodation, food & beverage service, and other service industries. The trade sector also grew by a significant amount, increasing by 1,700 businesses, an average of 340 businesses per year. Two other sectors which exhibited notable gains in the number of small businesses from 1994 to 1999 were finance, insurance, and real estate, which added 1,280 new small businesses, as well as transportation, storage and communications, which grew by 1,090 businesses.

Figure 18: Number of small businesses. Fastest growing sectors in British Columbia, 1994-1999



SPECIAL SECTORS

EXPLANATION:

This section contains information on industries that are not defined by the Standard Industrial Classification (SIC) system used by Statistics Canada. The Tourism, High Technology and Secondary Manufacturing sectors are called "Special Sectors" in this section and are in fact composites of smaller parts of traditionally defined industries under the SIC system. Tourism, for example, includes data from parts of the transportation industry, accommodation and food services, and the amusement and recreation services among others.

The three special sectors, high technology, tourism and secondary manufacturing, all experienced strong small business growth from 1994 to 1999. High technology led the way, increasing by 2,570 businesses, an average

of over 500 per year. Most of the gains in this sector came from increased activity in high technology services, as opposed to manufacturing.

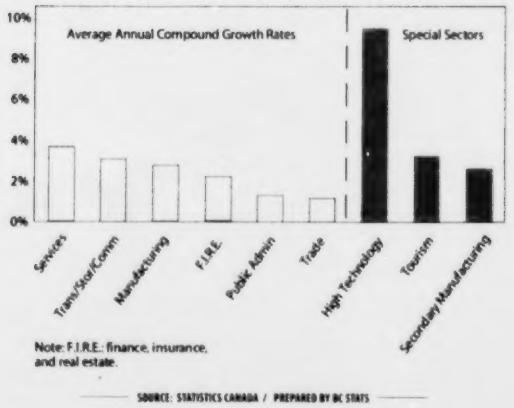
Tourism was close behind high technology, growing by 2,330 businesses. Secondary manufacturing, which has fewer than half the number of small businesses of the tourism sector, also displayed healthy growth from 1994 to 1999, increasing by 920 businesses.

Which industries show the fastest growth in new businesses?

Services, at 3.6%, exhibited the most rapid average annual growth rate of any sector. Transportation, storage and communications also grew quickly, with an average annual compound growth rate of 3.0% from 1994 to 1999. Not far behind this was manufacturing, which grew 2.7%.

The special sectors had very strong rates of growth. High technology had an average annual compound growth rate of 9.4% from 1994 to 1999. Well below this, but still strong, was tourism, at 3.2%, and secondary manufacturing, at 2.6%.

Figure 19: Sector growth rates for number of small businesses, 1994-1999



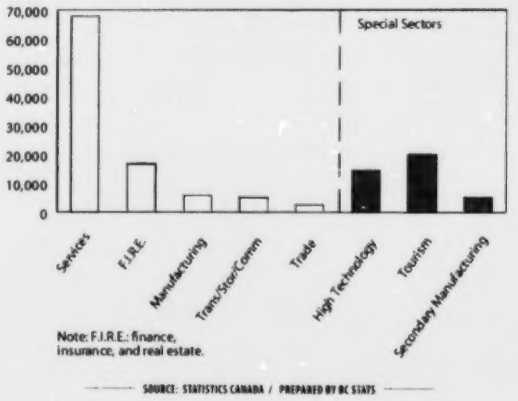
SMALL BUSINESS EMPLOYMENT

Which industries are experiencing the most job growth?

The services sector was far and away the largest provider of new small business jobs over the period 1994 to 1999, providing 67,500 additional jobs from 1994 to 1999. Finance, insurance and real estate employed 16,700 new workers in small business jobs from 1994 to 1999. Manufacturing was the third largest new small business employer, with 5,700 new jobs, an average of 1,140 per year.

While high technology resulted in more new small businesses, tourism was the leader amongst the special sectors for employment growth. Tourism was responsible for 19,800 new small business jobs from 1994 to 1999. High technology small businesses employed 14,500 new workers over those 5 years, an average of 2,900 annually. Secondary manufacturing also provided many new small business jobs, 5,000 in all.

Figure 20: Small Business Employment. Fastest growing sectors in British Columbia, 1994-1999

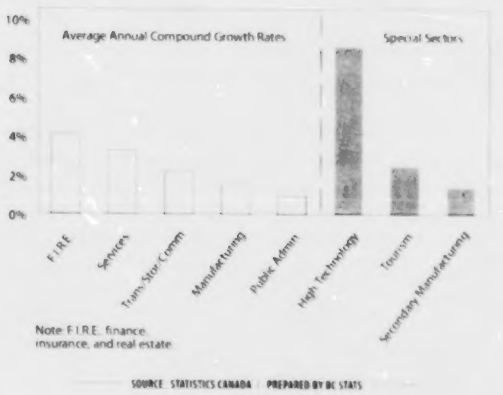


In which industries are employment growth rates the highest?

Finance, insurance and real estate had the highest average annual compound growth rate from 1994 to 1999, at 4.1%. The next highest rate, 3.3%, was in the services sector. Transportation, storage and communication also had a strong employment growth rate, at 2.2%.

In the special sectors, high technology led the way with an impressive average annual compound growth rate of 8.6% from 1994 to 1999. This very rapid growth in employment came mostly from high technology services, which had an average annual compound growth rate of 9.8%. Tourism and secondary manufacturing also had positive average annual compound rates for employment, at 2.5% and 1.4% respectively.

Figure 21: Sector growth rate for small business employment in British Columbia, 1994-1999



SOURCE: STATISTICS CANADA | PREPARED BY BC STATS

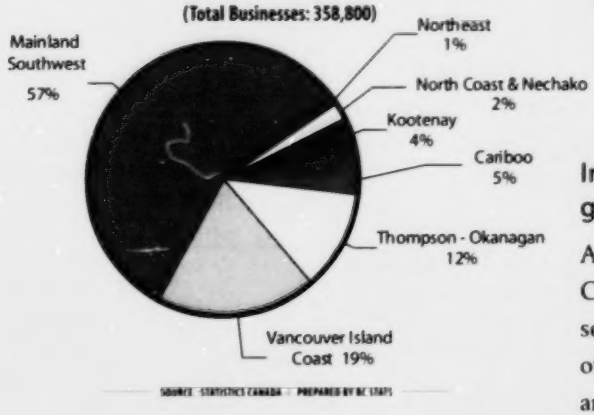
5. Regional Focus

The reference period for regional data is 1995 to 1999. Data prior to 1995 is not comparable to subsequent years.

Which regions have the greatest number of small businesses?

Mainland/Southwest region accounted for 57% of all small businesses in British Columbia in 1999. The next largest regions are Vancouver Island/Coast, and Thompson-Okanagan, which are home to 19% and 12% of small businesses respectively. The remaining 4 regions account for 12% of the province's small businesses.

Figure 22: Mainland/Southwest accounted for over half of all small businesses in BC, 1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

In which regions are the greatest numbers of small businesses forming?

Between the years 1995 to 1999, the Cariboo region led the province in annual average compound growth rate for small businesses, at 10.2%. This translates to a net increase of 5,286 businesses over that time period. Mainland/Southwest had the largest net increase in business counts, with 47,640 new small businesses forming between 1995 and 1999. Vancouver Island/Coast also experienced significant growth in small business, increasing by 15,611 businesses, at an annual average compound growth rate of 6.7%. Two regions showed declines in the number of small businesses: the Northeast, which declined by 320 businesses, and North Coast & Nechako, which declined by about 640 businesses.

Figure 23: Number of small businesses by Region, 1995-1999

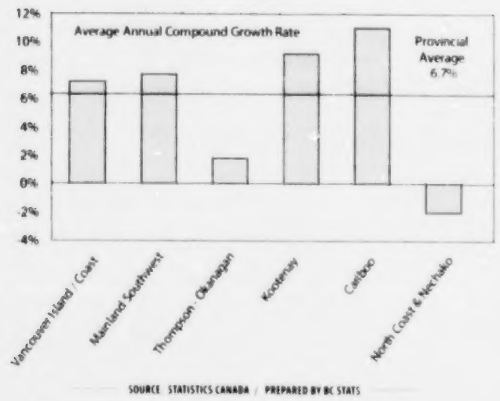
	Annual Growth (#s)	Annual Compound Growth Rate
Vancouver Island / Coast	15,600	6.7%
Northeast	-300	-1.5%
Cariboo	5,300	10.2%
Kootenay	2,500	4.6%
Thompson - Okanagan	2,100	1.3%
North Coast & Nechako	-600	-1.8%
Mainland Southwest	47,600	6.9%
Provincial Total	**72,200**	**5.8%**

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

In what regions is self-employment growing the fastest?

As with total small business growth, the Cariboo region leads the province in growth of self-employed small businesses over the period of 1995-1999. The Cariboo had an average annual compound growth rate of 9.2%, which is 1.5 percentage points higher than in the next fastest growing region, Mainland/Southwest. The third fastest growing region was Vancouver Island/Coast, which had an annual average compound growth rate of 7.2%. Only one region, North Coast & Nechako, had a negative annual average compound growth rate. There were too few self-employed individuals in the Northeast to provide an accurate estimate of the growth rate.

Figure 24: Self-employed business growth rate of regions in British Columbia, 1995-1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

In what regions are the "special sectors" growing the fastest?

High technology, tourism, and secondary manufacturing are sectors that experienced significant small business growth during the period 1994 to 1999. High technology, in particular, has seen a large increase in the number of small businesses in operation. Three regions, North Coast & Nechako, Cariboo, and Kootenay have increased the number of high technology small businesses by 90% or more over this period. Mainland/ Southwest region had the largest total increase in high technology small businesses from 1994 to 1999.

Secondary manufacturing also showed strong growth, especially in the Northeast, and North Coast & Nechako, which grew by 63% and 54% respectively. The number of tourism small businesses grew as well. The largest percentage gain in this sector was in Mainland/Southwest, which grew by 24% from 1994 to 1999.

Figure 25: High technology leads special sector employment growth throughout BC, 1994-1999

	Tourism		High Technology		Secondary Manufacturing	
DEVELOPMENT REGION	Growth (#s)	Compound Rate	Growth (#s)	Compound Rate	Growth (#s)	Compound Rate
Vancouver Island / Coast	269	11%	518	70%	138	16%
Mainland Southwest	1,631	24%	1,489	49%	466	10%
Thompson — Okanagan	242	13%	251	62%	169	24%
Kootenay	109	15%	95	93%	46	26%
Cariboo	116	19%	120	98%	52	28%
North Coast & Nechako	52	11%	66	129%	43	54%
Northeast	14	5%	42	67%	29	63%

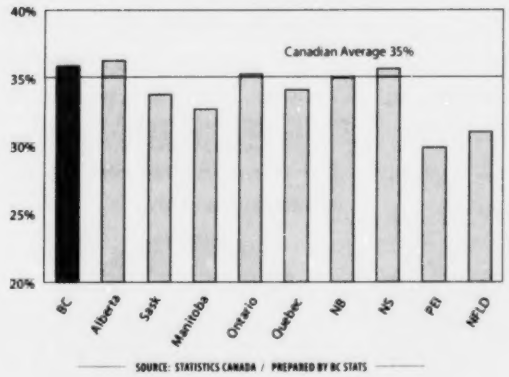
SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

6. Profile of Small Business Entrepreneurs

What proportion of small business owners are women?

Women in BC own and operate 36% of small businesses. This figure has risen from about 31% in 1990. The situation is similar in other provinces, where women's share of business operators ranges from a low of just under 30% in PEI to a high of 36.3% in Alberta.

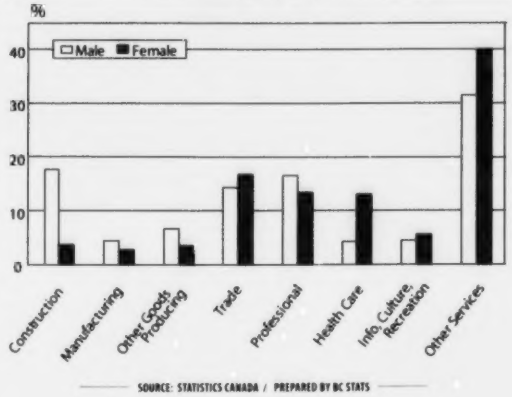
Figure 26: Proportion of small businesses owned by women, 1999



In which sectors are women entrepreneurs most active?

The majority of female owned small businesses operate in the service industry. Women represent a large proportion in wholesale and retail trade, and particularly in health care. In contrast, men who operate small businesses are more likely to be in construction, manufacturing, and other goods producing industries than are women.

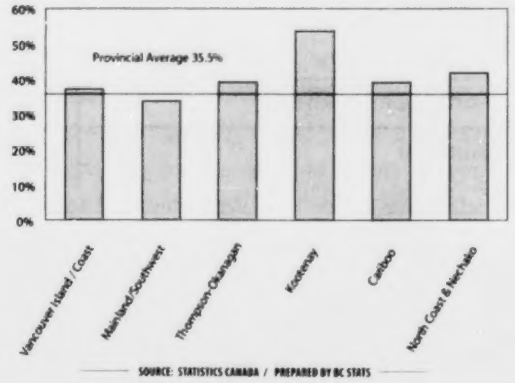
Figure 27: Self-employed , by gender by industry of employment, 1990-1999



Which regions have the highest proportion of women business owners?

The proportion of women entrepreneurs varies considerably around the province. While the involvement of women is lowest in the more heavily industrialized areas of the lower mainland and Vancouver Island, no single factor appears to control the success of women in entering either wage employment or self-employment. There were too few self-employed individuals in the Northeast to provide an accurate estimate of the exact gender composition of this group.

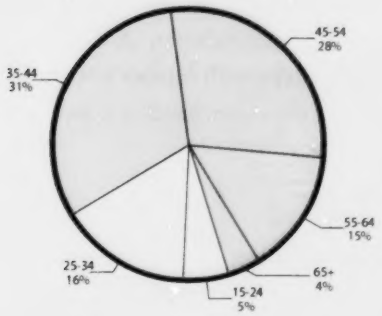
Figure 28: Women as a proportion of self-employed workers in British Columbia, 1999



What is the proportion of youth in small business?

Youth (those aged 15 to 34) account for over one fifth (21%) of all entrepreneurs. A little over 5% of small business owners are fifteen to twenty-four years of age. However a further 16% are in the twenty-five to thirty-four year old category.

Figure 29: Self-employed by age, 1999



SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

The participation of youth in small business has been increasing rapidly in recent years. The number of young small business owners has grown by over 70% since 1995. Similarly, the number of seniors in small business has more than doubled in the same period.

Figure 30: Growth rates of small business owners by age group, 1995-1999

SOURCE: STATISTICS CANADA / PREPARED BY BC STATS

Which regions have the highest proportion of youth in small business?

Regionally, Vancouver Island-Coast and Thompson-Okanagan both show a relatively high proportion (7.3%) of entrepreneurs who are aged fifteen to twenty-four years. Lower Mainland - Southwest trails, at 4.9 %. The other regions of the province have relatively few young entrepreneurs.

Technical Notes

All statistics in this document are based on the best data currently available. A comprehensive listing of all businesses operating in British Columbia or elsewhere does not exist, therefore business counts must be estimated to some extent. BC Stats has combined data from several sources to produce estimates of the total number of large and small businesses operating in British Columbia and other provinces, as well as the employment and payrolls generated by these businesses.

The results may differ from estimates produced in other studies using different data and different methodologies. Differences will potentially be more in terms of absolute numbers, than in direction of trends or the relative standing of British Columbia compared to other provinces.

Data Sources:

Estimates of number of businesses have been produced using data from Statistics Canada's Business Register and Labour Force Survey.

Estimates of employment and payrolls have been produced using Statistics Canada's Survey of Employment, Payroll and Hours, Employment Dynamics and Labour Force Survey.

All self-employment numbers, including those in the Profile of Small Business Entrepreneurs, have been taken directly from the Labour Force Survey.

Special Sector Definitions:

Tourism includes industries such as transportation, accommodation, food services, and other tourism related activities.

High technology industries may employ a high proportion of scientists and researchers or invest a high proportion of revenues in research and development.

Other industries that produce high technology products are also included.

Secondary manufacturing industries are those which produce goods from the products of other manufacturers. For example, a sawmill is a manufacturing operation but not a secondary manufacturer because its logs do not come from another manufacturer. A factory producing wooden doors with lumber obtained from sawmills, on the other hand, is a secondary manufacturer.

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